

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 ARA-06
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TO SECSTATE WASHDC 9139
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION EC BRUSSELS
AMEMBASSY MADRID

C O N F I D E N T I A L BRUSSELS 02164

E.O. 11652: GDS
TAGS: PFOR, PINR, EEWT, CU, BE
SUBJECT: BELGO-CUBAN JOINT COMMISSION MEETS

REFS: (A) BRUSSELS 982, (B) 76 BRUSSELS 6496

SUMMARY: BELGO-CUBAN JOINT COMMISSION MEETING IN BRUSSELS
FOCUSED ON LOW WORLD SUGAR PRICES AND THEIR NEGATIVE IMPACT ON
BELGIAN-CUBAN COMMERCE. BELGIAN MINISTER OF COMMUNICATIONS ON
VISIT TO HAVANA GOT THE "IMPRESSION" THAT CUBAN GOVERNMENT
"WOULD RESPOND TO CAREFUL AND DISCREET U.S. OVERTURES." END SUMMARY.

1. THE FIRST MEETING OF BELGO-CUBAN JOINT COMMISSN, SET UP LAST
JUNE TO FACILITATE AND MONITOR PRIVATE BELGIAN-CUBAN TRADE AND
COMMERCE (REFTEL B), MET IN BRUSSELS FEBRUARY 16-18. CUBAN
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DELEGATION WAS LED BY ERNESTO MELENDES BACHS OF THE MINISTRY OF
FOREIGN
TRADE. A BELGIAN FOREIGN MINISTRY OFFICIAL, WHO ATTENDED SESSIONS,
CHARACTERIZED THEM AS "LESS THAN SATISFACTORY" AND SAID THE BASIC
PROBLEM WAS THE DROP IN WORLD SUGAR PRICES WHICH HAS PUT STRAIN ON
CUBAN ECONOMY TO THE DETRIMENT OF MANY ONGOING CUBAN-BELGIAN
COMMERCIAL PROJECTS. IN THE COMMISSION, THE BELGIANS COMPLAINED

THAT THE CUBANS HAVE BEEN SLOW TO IMPLEMENT AGREEMENTS AND HAVE FAILED TO TAKE DELIVERY AND MAKE PAYMENTS FOR MACHINERY ORDERED LAST YEAR. TEXTILE MACHINERY PURCHASED LAST YEAR (REFTEL B PARA 4A) WAS STILL ON DOCKS IN ANTWERP. THE CUBANS MAINTAINED THAT THE PROBLEM WAS RELATED TO AVAILABILITY OF SPACE IN CUBAN SHIPS, BUT BELGIANS BELIEVE THIS IS JUST A PRETEXT TO STRETCH OUT DELIVERY - AND PAYMENT - SCHEDULE UNTIL CUBA'S FINANCIAL SITUATION IMPROVES.

2. BELGIANS TOLD US THAT ASKED CUBANS TO INDICATE THEIR PRIORITY PROJECTS AND THOSE PROJECTS TO BE DEFERRED IN LIGHT CUBAN NEED TO SCALE DOWN DEVELOPMENT PLANS BECAUSE OF SUGAR PRICES. CUBANS REPLIED THAT ZINC AND LEAD MINING PROJECTS (REFTEL B PARA 3D) RETAINED HIGH PRIORITY, AS DID PURCHASE OF MACHINERY TO COMPRESS SUGAR CANE WASTE INTO FIBERBOARD (REFTEL B, PARA 4B). THEY ALSO CITED AS PRIORITY ITEM NEW PURCHASES OF BELGIAN HOSPITAL EQUIPMENT. CUBANS PUT PURCHASE OF BELGIAN SIGNALING EQUIPMENT FOR HAVANA-SANTIAGO RAILROAD (REFTEL B, PARA 3C) ON "DEFERRED" LIST, AND BELGIANS THINK SOVIETS WILL EVENTUALLY END UP PROVIDING THIS EQUIPMENT.

3. BELGIAN SAID THEY TOLD CUBANS THAT DISCUSSION OF FUTURE PROJECTS SHOULD BE DEFERRED FOR FUTURE JOINT COMMISSION MEETINGS. THIS MEANS THAT PROJECTS LIKE BELGIAN PARTICIPATION IN HAVANA METRO AND AIRPORT MODERNIZATION PROJECTS, WHICH WERE DISCUSSED DURING COMMUNICATIONS MINISTER CHABERT'S HAVANA VISIT, WERE NOT SERIOUSLY EXAMINED.

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4. BELGIANS TOLD US THEY TURNED DOWN FLAT CUBAN REQUEST FOR GOVERNMENT-TO-GOVERNMENT LOAN, PLEADING BUDGETARY PROBLEMS. BELGIANS REPEATEDLY INSISTED THAT FINANCING OF BELGIAN SALES OF MACHINERY AND TECHNOLOGY WILL BE ON STRICTLY COMMERCIAL BASIS WITHOUT CONCESSIONAL ELEMENTS.

5. JOINT COMMISSION DISCUSSED POSSIBLE BILATERAL TOURISM AGREEMENT THAT WAS RAISED DURING CHABERT VISIT, BUT BELGIANS TOLD US THAT SEVERAL ISSUES WERE STILL TO BE RESOLVED. IT APPEARS THAT CUBAN PROPOSAL CONTAINED TWO ELEMENTS: A CONSULAR AGREEMENT AND SOME SORT OF BELGIAN CREDIT FOR TOURISM SECTOR. BELGIANS MIGHT BE INTERESTED IN CONSTRUCTION OF TOURISM INFRASTRUCTURE.

6. MINISTER CHABERT TOLD CHARGE HE WAS "ROYALLY RECEIVED" IN HAVANA WEEK OF FEBRUARY 7, DINED WITH TEN MINISTERS, HAD CONVERSATION WITH VICE PRIME MINISTER FOR FOREIGN AFFAIRS CARLOS RAFAEL RODRIGUEZ, AND WAS ESCORTED FOR "MANY HOURS" BY RAUL CASTRO. CHABERT SAID HE HAD "IMPRESSION" THAT CUBANS WANTED TO MAKE AN "OPENING" TO THE U.S. AND "WOULD RESPOND TO CAREFUL AND DISCREET U.S. OVERTURES."

CARLOS RAFAEL RODRIGUEZ SHOWED INTEREST IN EC MATTERS AND
SPECIFICALLY THE
QUESTION OF EVENTUAL SPANISH MEMBERSHIP IN COMMUNITY AND ITS EFFECT
ON SPANISH-CUBAN TRADE AND CURRENT LARGE SPANISH PURCHASES OF
CUBAN SUGAR. RENNER

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